

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CHRISTOPHER DELMONICO, Derivatively on
Behalf of Nominal Defendant SEQUENTIAL
BRANDS GROUP, INC.,

Plaintiff,

v.

YEHUDA SHMIDMAN, KAREN MURRAY,
GARY KLEIN, ANDREW COOPER,
WILLIAM SWEEDLER, AL GOSSETT,
AARON HOLLANDER, GARY JOHNSON,
STEWART LEONARD, JR., MARTHA
STEWART, RODNEY S. COHEN, and DAVID
CONN,

Defendants,

and

SEQUENTIAL BRANDS GROUP, INC.,

Nominal Defendant.

PETER D'ARCY, derivatively on behalf of
SEQUENTIAL BRANDS GROUP, INC.,

Plaintiff,

vs.

YEHUDA SHMIDMAN, KAREN MURRAY,
GARY KLEIN, ANDREW COOPER, RODNEY
S. COHEN, DAVID CONN, AL GOSSETT,
AARON HOLLANDER, GARY JOHNSON,
STEWART LEONARD, JR., MARTHA
STEWART, and WILLIAM SWEEDLER

Defendants,

and

SEQUENTIAL BRANDS GROUP, INC.,

Nominal Defendant.

Case No. 21-cv-60-CFC

Case No. 21-cv-862-CFC

**JOINT STIPULATION [AND PROPOSED ORDER] CONSOLIDATING RELATED
ACTIONS AND APPOINTING CO-LEAD COUNSEL**

WHEREAS, on January 20, 2021, Plaintiff Christopher Delmonico filed a shareholder derivative action on behalf of Nominal Defendant Sequential Brands Group, Inc. (“Sequential” or the “Company”) in this Court alleging breaches of fiduciary duties, and violations of Section 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), against Defendants Yehuda Shmidman, Karen Murray, Gary Klein, Andrew Cooper, William Sweedler, Al Gossett, Aaron Hollander, Gary Johnson, Stewart Leonard, Jr., Martha Stewart, Rodney S. Cohen, and David Conn (the “Individual Defendants,” together with Sequential, the “Defendants”), captioned *Delmonico v. Shmidman, et al.*, Case No. 21-cv-60-CFC (the “*Delmonico* Action”);

WHEREAS, on February 17, 2021, the parties in the *Delmonico* Action stipulated to stay the proceedings in the *Delmonico* Action pending the resolution of a motion to dismiss in a related federal securities fraud action filed on December 11, 2020 in the United State District Court for the Southern District of New York, captioned *Securities and Exchange Commission v. Sequential Brands Group, Inc.*, Case No. 1:20-cv-10471 (JPO), which the Court so ordered on February 18, 2021 (the “Stay Order”);

WHEREAS, on June 16, 2021, Plaintiff Peter D’Arcy (together with Plaintiff Christopher Delmonico, “Plaintiffs;” Plaintiffs and Defendants together, the “Parties”) filed a shareholder derivative action on behalf of Nominal Defendant Sequential in this Court alleging breaches of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, violations of Section 14(a) the Exchange Act, and for contribution under Sections 10(b) and 21D of the Exchange Act against the Individual Defendants, captioned *D’Arcy v. Shmidman, et al.*, Case No. 21-cv-862-CFC (the “*D’Arcy* Action”);

WHEREAS, under Fed. R. Civ. P. 42(a), when actions involve “a common question of law

or fact,” the Court may “(1) join for hearing or trial any or all matters at issue in the actions; (2) consolidate the actions; or (3) issue any other orders to avoid unnecessary cost or delay”;

WHEREAS, Plaintiffs agree that the *Delmonico* Action and the *D’Arcy* Action (together the “Related Derivative Actions”) challenge the same alleged conduct by the same Company directors and officers and involve substantially the same questions of law and fact;

WHEREAS, the Parties therefore respectfully submit that consolidation of the Related Derivative Actions is appropriate;

WHEREAS, to avoid potentially duplicative actions and to prevent any waste of the Court’s and the Parties’ resources, the Parties agree that the Related Derivative Actions should be consolidated for all purposes, including pre-trial proceedings and trial, into a single consolidated action;

WHEREAS, in order to realize the efficiencies made possible by consolidation of the Related Derivative Actions, Plaintiffs agree that The Brown Law Firm, P.C. and Glancy Prongay & Murray LLP, the resumes of which are attached hereto as Exhibit A and Exhibit B, respectively, shall be designated as Co-Lead Counsel representing Plaintiffs in the consolidated action;

WHEREAS, without waiving any rights, arguments, or defenses, Defendants agree the Related Derivative Actions should be consolidated and take no position regarding appointment of Co-Lead Counsel; and

WHEREAS, this stipulation is not a waiver of any of the Parties’ rights, remedies, claims or defenses.

WHEREFORE, the Parties, through their undersigned counsel, hereby agree, stipulate, and respectfully request that the Court enter an order as follows:

1. The Stay Order in the *Delmonico* Action is temporarily lifted for the exclusive

purpose of the filing of this stipulation and the Court's ruling thereon.

2. Defendants hereby accept service of the complaints filed in the Related Derivative Actions.

3. The following actions are hereby consolidated for all purposes, including pre-trial proceedings and trial, under Case No. 21-cv-60-CFC (the "Consolidated Action"):

<u>Case Name</u>	<u>Case Number</u>	<u>Date Filed</u>
<i>Delmonico v. Shmidman, et al.</i>	21-cv-60-CFC	January 20, 2021
<i>D'Arcy v. Shmidman, et al.</i>	21-cv-862-CFC	June 16, 2021

4. Every pleading filed in the Consolidated Action, or in any separate action included herein, must bear the following caption:

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

IN RE SEQUENTIAL BRANDS GROUP,
INC. DERIVATIVE LITIGATION

C.A. No. 21-cv-60-CFC

5. All papers filed in connection with the Consolidated Action will be maintained in one file under C.A. No. 21-cv-60-CFC.

6. Co-Lead Counsel for Plaintiffs for the conduct of the Consolidated Action shall be:

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-and-

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7. Plaintiffs' Co-Lead Counsel shall have the sole authority to speak for plaintiffs in all matters regarding pre-trial procedure, trial, and settlement negotiations and shall make all work assignments in such manner as to facilitate the orderly and efficient prosecution of this litigation and to avoid duplicative or unproductive effort.

8. Co-Lead Counsel will be responsible for coordinating all activities and appearances on behalf of plaintiffs. No motion, request for discovery, or other pre-trial or trial proceedings will be initiated or filed by any plaintiffs except through Co-Lead Counsel.

9. Farnan LLP shall be appointed Liaison Counsel in the Consolidated Action.

10. Liaison Counsel shall be available and responsible for communications to and from this Court, including distributing orders and other directions from the Court to counsel.

11. Defendants' counsel may rely upon all agreements made with Co-Lead Counsel, or other duly authorized representative of Co-Lead Counsel, and such agreements shall be binding on all plaintiffs in the Consolidated Action.

12. This Order shall apply to each related shareholder derivative action involving the same or substantially the same allegations, claims, and defendants, and arising out of the same, or substantially the same, transactions or events as the Consolidated Action, that is subsequently filed in, removed to, reassigned to, or transferred to this Court ("Potential Subsequent Related Derivative Action"). When a shareholder derivative action that properly belongs as part of *In re*

Sequential Brands Group, Inc. Derivative Litigation, C.A. No. 21-cv-60-CFC, is hereafter filed in this Court, removed to this Court, reassigned to this Court, or transferred to this Court from another court, this Court requests the assistance of counsel in calling to the attention of the Clerk of the Court the filing, removal, reassignment, or transfer of any case that might properly be consolidated as part of *In re Sequential Brands Group, Inc. Derivative Litigation*, C.A. No. 21-cv-60-CFC, and counsel are to assist in assuring that counsel in subsequent actions receive notice of this order. Unless otherwise ordered, the terms of all orders, rulings, and decisions in the Consolidated Action shall apply to Potential Subsequent Related Derivative Actions filed in this Court, removed to this Court, reassigned to this Court, or transferred to this Court from another court.

13. All papers and documents previously filed and/or served in the Related Derivative Actions shall be deemed a part of the record in the Consolidated Action.

14. The Consolidated Action is hereby stayed pursuant to the terms of the Stay Order in the *Delmonico* Action, which is hereby entered as an order in the Consolidated Action.

15. This stipulation is without waiver or prejudice to any and all claims, defenses, arguments, motions, or any requests for other relief that would otherwise be available to the Parties in the Related Derivative Actions.

IT IS SO STIPULATED.

DATED: June 29, 2021

Respectfully submitted,

FARNAN LLP

/s/ Brian E. Farnan

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Additional Counsel for Plaintiff Peter D'Arcy

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Additional Counsel for Plaintiff Christopher Delmonico

DATED: June 29, 2021

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Counsel for Sequential

DATED: June 29, 2021

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Counsel for Individual Defendants

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SO ORDERED this ___ day of ____, 2021.

The Honorable Colm F. Connolly
United States District Judge